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MMC CORPORATION BERHAD POSTS RM89 MILLION PROFIT FOR THIRD QUARTER 2018

KUALA LUMPUR, 27 November 2018 – MMC Corporation Berhad (MMC or the Group), a premier utilities and infrastructure group recorded Profit Before Zakat and Taxation (PBZT) of RM89 million compared to RM66 million reported in the corresponding quarter of the preceding year.

For the 9-month cumulative period ended 30 September 2018, the Group recorded RM193.1 million PBZT on the back of RM3.42 billion in revenue which is a 17.1% increase from RM2.93 billion revenue reported in the corresponding period of the preceding year, due to higher cumulative work progress from KVMRT-SSP Line, consolidation of Penang Port's revenue, higher volume handled at Port of Tanjung Pelepas (PTP) and work progress at Langat Sewerage Treatment Project (LSTP). These were offset with lower contribution from RAPID Material Offloading Facilities (RAPID MOLF) operations at Johor Port and lower container volume handled at Northport.

Review of Key Operating Companies

The Ports & Logistics division recorded revenue of RM2.18 billion, an increase of 1.9% compared with RM2.14 billion reported in the corresponding period of the preceding year, due to higher volume handled at PTP and effect from full consolidation of Penang Port's revenue, offset by lower contribution from RAPID MOLF operations at Johor Port as the project is near completion and lower container volume handled at Northport impacted by shifting of global shipping alliances.

The division recorded PBZT of RM286 million compared to RM369 million reported in the corresponding period of the preceding year.



The Energy & Utilities division recorded a PBZT of RM93 million compared to RM130 million reported in the corresponding period of the preceding year due to lower share of profit from Malakoff.

The Engineering division recorded a 63.1% increase in revenue to RM1.17 billion from RM720 million reported in the corresponding period of the preceding year following higher work progress recorded at the KVMRT-SSP Line and LSTP. The division saw an increase in PBZT of 88.2% to RM173 million from RM92 million reported in the corresponding period of the preceding year.

Moving Forward

Ports & Logistics division is estimated to record stable volume across all the ports. The recent completion of acquisition of the balance 51% interest in Penang Port in May 2018 is expected to contribute positively to the Group's earnings as it allows the Group to establish a strong foothold in the Northern region of Peninsular Malaysia and complement the Group's strategic presence throughout the Straits of Malacca. Operational and cost synergies driven by MMC, would further improve the performance of its Ports & Logistics division.

The Energy & Utilities division is expected to contribute positively from the Group's associated companies, namely Malakoff and Gas Malaysia.

Substantial existing order-book provides earnings visibility for the Engineering division anchored by the KVMRT-SSP Line underground work and elevated portion. Furthermore, the earnings contribution from Engineering division will be sustained by on-going projects namely Langat 2 Water Treatment Plant, LSTP and our involvement in the Project Delivery Partner role for Pan Borneo Sabah Highway.

Dato' Sri Che Khalib Mohamad Noh, Group Managing Director of MMC Corporation Berhad said, "We are optimistic of our performance and will continue to improve our operations, intensify our cost optimisation efforts and explore new business opportunities".



Photo caption: The Engineering division saw 63.1% increase in revenue to RM1.17 billion from RM720 million following higher work progress recorded at the Klang Valley Mass Rapid Transit Sungai Buloh-Serdang-Putrajaya Line (KVMRT-SSP Line) and Langat Sewerage Treatment Project (LSTP).

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About MMC Corporation Berhad

MMC Corporation Berhad (MMC) is a leading Utilities and infrastructure group with Diversified businesses under three divisions, namely Ports and Logistics, Energy and Utilities and Engineering.

Its key businesses under the Ports and Logistics division include the operations of Pelabuhan Tanjung Pelepas Sdn Bhd, Johor Port Berhad, Northport (Malaysia) Bhd, Penang Port Sdn Bhd, Tanjung Bruas Port Sdn Bhd, JP Logistics Sdn Bhd and Kontena Nasional Berhad. Internationally, MMC has presence in Saudi Arabia via Red Sea Gateway Terminal Company Limited, a container port terminal within the Jeddah Islamic Port.

Under the Energy and Utilities division, MMC is the single largest shareholder of both Malakoff Corporation Berhad and Gas Malaysia Berhad.

MMC's Engineering division has continued to stamp its presence in its sector with a leading role as the Project Delivery Partner (PDP) and underground works package contractor for the 51 km Klang Valley Mass Rapid Transit (KVMRT) Sungai Buloh- Kajang project (SBK Line) and Sungai Buloh-Serdang-Putrajaya project (SSP Line).



Prior to this, MMC has successfully completed the 329 km Ipoh-Padang Besar Electrified Double Tracking Project as well as the innovative Stormwater Management and Road Tunnel (SMART) motorway, the first of-its-kind, dual-purpose tunnel in the world.

MMC continues to make inroads in the industry, securing key civil and infrastructure projects in the country namely Langat Centralised Sewerage Treatment Plant, Langat 2 Water Treatment Plant and Refinery and Petrochemical Integrated Development (RAPID) Pengerang Cogeneration Plant. MMC also has a 20% effective interest in Borneo Highway PDP Sdn Bhd (BHP), the appointed project delivery partner for the Pan Borneo Highway Project in Sabah.

In other businesses, MMC wholly-owns Aliran Ihsan Resources Berhad, a company which specializes in the full spectrum of water treatment and Senai Airport Terminal Services Sdn Bhd, the operator of Senai International Airport in Johor Bahru - a major aviation hub and the main air transportation gateway to Iskandar Malaysia. The Group Property arm of MMC manages close to 6,000 acres of industrial developments in Iskandar Malaysia, Johor and Kulim, Kedah, namely Senai Airport City, Tanjung Bin Petrochemical & Maritime Industrial Centre (TBPMIC) and Northern Technocity (NTC). The Senai Airport City, TBPMIC and NTC developments come under the ambit of the Group Property's three operating companies – Senai Airport City Sdn Bhd, Seaport Worldwide Sdn Bhd and Northern Technocity Sdn Bhd respectively.

Enquiries

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